



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator

Washington, DC 20201

August 21, 2008

Mr. E. Mitchell Roob, Jr.
Secretary
Indiana Family and Social Services Administration
402 West Washington Street
Indianapolis, IN 46207

Dear Mr. Roob:

This letter serves to confirm approval of time-limited demonstration authorities needed to implement the Indiana Disaster Relief section 1115 Demonstration project, from June 9, 2008, through August 31, 2009. The Medicaid portion of the demonstration is approved as Project Number 11-W-00240/5, and the State Children's Health Insurance Program (SCHIP) portion of the demonstration is approved as Project Number 21-W-00060/5.

On June 14, 2008, the Secretary of the Department of Health and Human Services declared that a public health emergency exists and has existed since June 6, 2008, in the State of Indiana. The demonstration is the product of discussions after June 6, 2008, among Indiana Medicaid and SCHIP staff, and staff from the Centers for Medicare & Medicaid Services (CMS).

The demonstration is granted in recognition of the public health emergency in Indiana caused by the flooding and tornadoes in June 2008. The demonstration waivers and expenditure authority outlined in this letter, and in the attached Special Terms and Conditions (STCs), are intended to assist the State of Indiana to continue ensuring Medicaid and SCHIP coverage for needy residents in the aftermath of these natural disasters. Under the demonstration, the State will temporarily be relieved of the responsibility to conduct annual redeterminations for individuals residing in counties affected by the disaster, as long as nothing in the case file indicates that the individual has become ineligible for benefits. This demonstration is necessary because the disaster affected access to documentation, and the ability to process redeterminations. In light of the natural disaster, the possibility that the individuals at issue would otherwise be able to demonstrate continued eligibility, and the overall preventive benefits of ensuring that residents of Indiana are able to obtain needed health care to promptly address medical conditions, the demonstration will be presumed to meet the Medicaid budget neutrality requirements applicable to section 1115 demonstration projects. The SCHIP allotment neutrality requirements of section 1115 demonstration projects will apply.

Our approval of this demonstration (and the waivers and Federal matching provided thereunder) is limited to the specific waivers and expenditure authorities outlined in the enclosed list, and the specifications described in the enclosed STCs, which set forth in detail the nature, character, and extent of the demonstration. The award is subject to our receiving your written acceptance of this award within 30 days after the date of this letter.

On July 17, 2008, the State requested to continue eligibility for those individuals enrolled in Medicaid and SCHIP who reside in one of the 53 Governor-designated disaster counties and who require an

eligibility redetermination in June or July 2008. By this letter, we grant the State the necessary waivers and expenditure authority to extend these eligibility redeterminations for a period not to exceed 1 year.

The State also requested 100 percent Federal financial participation (FFP) to cover the health care expenditures for the estimated 35,000 additional Medicaid and SCHIP individuals who remained eligible as a result of the automatic redeterminations in June and July 2008. CMS does not have the statutory authority to provide 100 percent FFP; therefore, we must disapprove this request.

A full listing of the approved waiver and expenditure authorities for the demonstration is enclosed.

Written notification to our office of your acceptance of this award must be received within 30 days after the date of this letter. Your project officer is Ms. Julie Sharp. She is available to answer any questions concerning this demonstration project. Ms. Sharp's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard
Mailstop S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-2292
Facsimile: (410) 786-5882
E-mail: Juliana.Sharp@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Sharp and to Ms. Verlon Johnson, Associate Regional Administrator for the Division of Medicaid and Children's Health Operations in our Chicago Regional Office. Ms. Johnson's address is:

Centers for Medicare & Medicaid Services
233 N. Michigan Avenue, Suite 600
Chicago, IL 60601-5519

If you have questions regarding this correspondence, please contact Ms. Dianne Heffron, Acting Director, Family and Children's Health Programs Group, Center for Medicaid and State Operations, at (410) 786-5647.

We recognize the great efforts that Indiana has made in facing significant challenges since June 6, 2008, and we appreciate the opportunity to work with you to ensure that eligible needy Indiana individuals and families receive assistance. If you have additional concerns, please contact me.

Sincerely,

/s/

Kerry Weems
Acting Administrator

Enclosure

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cc:

Verlon Johnson, ARA, Region V
Leslie Campbell, State Representative

**CENTERS FOR MEDICARE & MEDICAID SERVICES
WAIVER LIST**

NUMBER: **11-W-00240/5**
 21-W-00060/5

TITLE: **Indiana Disaster Relief Section 1115 Demonstration**

AWARDEE: **Indiana Family and Social Services Administration**

All requirements of the Medicaid and State Children's Health Insurance program (SCHIP) expressed in law, regulation, and policy statement, not expressly identified as not applicable in the list below, shall apply beginning June 9, 2008, through July 31, 2009.

The Demonstration will operate under these waiver authorities beginning June 9, 2008, through July 31, 2009. The waiver authorities will continue through July 31, 2009, unless otherwise stated.

Title XIX:

1. Annual Redeterminations of Eligibility **Sections 1902(a)(4)
and 1902(a)(19)**

To enable Indiana to permit continuation of eligibility under Indiana's title XIX program, in 53 Governor-designated disaster counties for individuals whose redeterminations were due from June 9, 2008, through July 31, 2008. This waiver shall apply only when there is a case file which demonstrates eligibility and includes no information indicating that the individual is no longer eligible. In that instance, eligibility may continue until the next scheduled redetermination, but no longer than 12 months, except that unless information is received by the State Medicaid Agency or the Family and Social Services Administration indicating that a redetermination is warranted.

Title XXI:

1. Annual Redeterminations **Section 2102**

To enable Indiana to permit continuation of eligibility under Indiana's title XXI program, in 53 Governor-designated disaster counties for individuals whose redeterminations were due from June 9, 2008, through July 31, 2008. This waiver shall apply when there is a case file which demonstrates eligibility and includes no information indicating that the individual is no longer eligible. In that instance, eligibility may continue until the next scheduled redetermination, but no longer than 12 months unless information is received by the State Medicaid Agency or the Family and Social Services Administration earlier than this date, indicating that a redetermination is warranted. And, anyone requesting an SCHIP eligibility determination during this time period must be enrolled in Medicaid if the determination shows that they are programmatically eligible.

**CENTERS FOR MEDICARE AND MEDICAID SERVICES
EXPENDITURE AUTHORITY**

NUMBER: **11-W-00240/5**
 21-W-00060/5

TITLE: **Indiana Disaster Relief Section 1115 Demonstration**

AWARDEE: **Indiana Family and Social Services Administration**

Under the authority of section 1115(a)(2) of the Social Security Act, expenditures made by the State for the items identified below, which are not otherwise included as expenditures under section 1903 or section 2105, shall for the period of this Demonstration, be regarded as expenditures under Indiana's title XIX or title XXI plan.

The following expenditure authorities shall enable Indiana to implement the section 1115 Demonstration (Indiana Disaster Relief).

All requirements of the Medicaid and State Children's Health Insurance Program (SCHIP) expressed in law, regulation, and policy statement, not expressly identified as not applicable in the list below, shall apply beginning June 9, 2008, through July 31, 2009.

Title XIX:

Expenditures for extending medical assistance benefits for up to a 12-month period to individuals receiving benefits under Indiana's title XIX program, for whom the State is unable to complete a redetermination of eligibility. The period may extend until the shorter of the next scheduled redetermination (no later than 12 months from the missed redetermination) or 30 days following receipt of information that warrants redetermination. This expenditure authority is limited to 53 Governor-designated disaster counties for individuals whose redeterminations were due from June 9, 2008, through July 31, 2008.

Title XXI:

Expenditures for extending child health assistance benefits for up to a 12-month eligibility period to individuals previously enrolled in SCHIP, but for whom the State is unable to complete a redetermination of eligibility. The period may extend until the shorter of the next scheduled redetermination (no later than 12 months from the missed redetermination) or 30 days following receipt of information that warrants redetermination. This expenditure authority is limited to 53 Governor-designated disaster counties for individuals whose redeterminations were due from June 9, 2008, through July 31, 2008.

**CENTERS FOR MEDICARE & MEDICAID SERVICES
SPECIAL TERMS AND CONDITIONS**

NUMBER: **11-W-00240/5**
 21-W-00060/5

TITLE: **Indiana Disaster Relief Medicaid Section 1115 Demonstration**

AWARDEE: **Indiana Family and Social Services Administration**

I. PREFACE

The following are the Special Terms and Conditions (STCs) for the Indiana Flood Relief section 1115(a) Medicaid Demonstration (hereinafter “Demonstration”), operated by the Indiana Department of Human Services (State) and partially funded by the Centers for Medicare & Medicaid Services (CMS). The STCs set forth in detail the State’s obligations to CMS during the life of the Demonstration. The STCs are effective June 9, 2008, unless otherwise specified. This Demonstration is approved through July 31, 2009.

The STCs have been arranged into the following subject areas: Program Description and Objectives, General Program Requirements, Definitions and Conditions, Eligibility and Facilities, Benefits, Cost Sharing, Delivery Systems, General Reporting Requirements, General Financial Reporting Requirements Under Title XIX, General Financial Reporting Requirements Under Title XXI, and Schedule of State Deliverables During the Demonstration Period.

II. PROGRAM DESCRIPTION AND OBJECTIVES

The Demonstration is granted in recognition of the public health emergency in Indiana caused by the flooding and tornadoes in June 2008. The Demonstration will assist the State of Indiana to continue assuring Medicaid and State Children’s Health Insurance Program (SCHIP) coverage for needy residents in Indiana in the aftermath of these natural disasters. The Demonstration also reduces the administrative burden associated with redetermining ongoing eligibility for the affected State agency staff.

The State reports that households in many areas of the State have been evacuated from their homes to temporary locations while they seek a longer-term solution to their housing needs. These households may have no address at which to receive mail. Many households have also lost documents and many employers are temporarily closed and cannot provide work verification for these households. Additionally, State agency staff in counties not affected by the floods and tornadoes have been working to assist with paper work in counties affected by the natural disasters.

The State’s title XIX and title XXI State plans, as approved, will continue to operate concurrently with this section 1115 Demonstration.

III. GENERAL PROGRAM REQUIREMENTS

1. **Compliance with Federal Non-Discrimination Statutes.** The State agrees that it must comply with all applicable Federal statutes relating to non-discrimination. These include, but are not limited to, the Americans with Disabilities Act of 1990, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.
2. **Compliance with Medicaid and SCHIP Law, Regulation, and Policy.** All requirements of the Medicaid and SCHIP programs expressed in law, regulation, and policy statement not expressly waived or identified as not applicable in the waiver and expenditure authority documents of which these terms and conditions are part, must apply to the Demonstration.
3. **CMS Right to Terminate or Suspend.** CMS may suspend or terminate the Demonstration, in whole or in part, at any time before the date of expiration, whenever it determines, following a hearing that the State has materially failed to comply with the terms of the project. CMS must promptly notify the State in writing of the determination and the reasons for the suspension or termination, together with the effective date.
4. **Finding of Non-Compliance.** The State does not relinquish its rights to challenge CMS' finding that the State materially failed to comply.
5. **Withdrawal of Waiver Authority.** CMS reserves the right to withdraw waiver or expenditure authorities at any time it determines that continuing the waivers or expenditure authorities would no longer be in the public interest or promote the objectives of title XIX or XXI, as applicable. CMS must promptly notify the State in writing of the determination and the reasons for the withdrawal, together with the effective date, and must afford the State a brief opportunity to request reconsideration by submitting a brief explanation of the benefits of the waiver or Demonstration, prior to the effective date. If a waiver or expenditure authority is withdrawn, Federal financial participation (FFP) is limited to normal closeout costs associated with terminating the Demonstration, including services and administrative costs of disenrolling participants.
6. **Adequacy of Infrastructure.** To the extent possible under emergent circumstances, the State will ensure the availability of adequate resources for implementation and monitoring of the Demonstration, including education, outreach, and enrollment; maintaining eligibility systems; compliance with cost sharing requirements; and reporting on financial and other Demonstration components.

IV. DEFINITIONS AND CONDITIONS

7. **Duration of the Demonstration Program:** The duration of the program will be from June 9, 2008, through July 31, 2009.

Effective Date: The Demonstration project will be effective upon approval by the Secretary. Eligibility and payments under such a Demonstration may be retroactive to June 9, 2008.

Disaster Area: Refers to a geographic area or region in which a National Disaster has been

declared, or that has been declared by the Governor of Indiana as disaster-designated counties. For Indiana, this is 53 disaster-designated counties (see Attachment A). Additional counties may be added as they are disaster-designated by the Governor.

V. ELIGIBILITY & FACILITIES

8. **Eligibility Overview.** Eligibility will be based on the eligibility levels contained in the Medicaid State plan, SCHIP State plan, or approved Medicaid Home and Community-Based Services waiver.
9. **Annual Redeterminations of Eligibility.** The State may continue Medicaid and SCHIP eligibility without a redetermination for affected individuals in the counties specified below for the time periods specified below. Eligibility may continue until the next scheduled redetermination, or until information is received that warrants a redetermination, whichever is earlier. FFP is available under this Demonstration throughout the period beginning with the date the 2008 redetermination was due and ending with the completion of the next redetermination. The next scheduled redetermination date must not be longer than 12 months from the original redetermination date.

2008 Redetermination Due	Redetermination Waiver Applicable
June 9, 2008, through July 31, 2008	53 Disaster-Designated Counties (See Attachment A)

VI. BENEFITS

10. **Benefits.** This Demonstration project does not affect the benefits stipulated in the Medicaid State plan, SCHIP State plan, or an approved Medicaid or SCHIP waiver or demonstration project, if applicable. Individuals shall receive the same benefits as they currently receive under the program for which they are enrolled (e.g., Medicaid State plan, SCHIP State plan, or an approved Medicaid or SCHIP waiver or demonstration project), if applicable.

VII. COST SHARING

11. **Cost Sharing.** The same cost sharing shall apply as outlined in the program for which the individual is enrolled (e.g., Medicaid State plan, SCHIP State plan, or an approved Medicaid or SCHIP waiver or demonstration project), if applicable.

VIII. DELIVERY SYSTEMS

12. **Delivery Systems.** This Demonstration project does not affect the method of health care delivery stipulated in the Medicaid State plan, SCHIP State plan, or an approved Medicaid or SCHIP waiver or demonstration project, if applicable. Depending on the eligibility group, individuals shall use the appropriate delivery systems as specified in the Medicaid State plan, SCHIP State plan, or an approved Medicaid or SCHIP waiver or demonstration project, if applicable.

IX. GENERAL REPORTING REQUIREMENTS

13. **Monthly Calls.** CMS must schedule monthly conference calls with the State. The purpose of these calls is to discuss any significant, actual or anticipated, developments affecting the Demonstration. The State and CMS (both the Project Officer and the Regional Office) must jointly develop the agenda for the calls. The monthly monitoring calls for this Demonstration may be scheduled at the same time as the Healthy Indiana Plan (HIP) section 1115 Demonstration monthly monitoring calls.
14. **Final Report.** The State will be required to submit a final report to CMS to describe the impact of this program, including (but not limited to) the impact on affected individuals, the State, local governmental units, and facilities by provider type. CMS will provide guidance on the submittal of the final report. The draft report will be due to CMS by December 31, 2009. CMS must provide comments on the draft report within 60 days of receipt, and the State must submit a final report within 60 days of receipt of CMS comments.
15. **Cooperation with Federal Evaluators.** Should CMS undertake an evaluation of the Demonstration, the State must fully cooperate with Federal evaluators and their contractors' efforts to conduct an independent federally funded evaluation of the Demonstration.
16. **Budget Neutrality.** In light of the natural disaster, the Demonstration will be presumed to be budget neutral. Therefore, Indiana will not be required to provide or demonstrate budget neutrality through "without waiver" and "with waiver" expenditure data. Title XXI allotment neutrality will be applicable under this Demonstration program.

XII. SCHEDULE OF STATE DELIVERABLES DURING THE DEMONSTRATION PERIOD

Due Date	Deliverable
30 days from date of approval letter	State Acceptance of Demonstration, STCs, Waivers, and Expenditure Authorities.
December 31, 2009	Draft Final Report

Attachment A

List of Governor-Designated Disaster Counties

Governor-Designated Disaster Counties in Indiana
Adams, Bartholomew, Benton, Boone, Brown, Carroll, Clay, Daviess, Dearborn, Decatur, Elkhart, Franklin, Fulton, Gibson, Grant, Greene, Hamilton, Hancock, Henry, Huntington, Jackson, Jennings, Jefferson, Johnson, Knox, Lagrange, Lawrence, Madison, Marion, Miami, Monroe, Morgan, Newton, Ohio, Owen, Parke, Pike, Posey, Putnam, Randolph, Ripley, Rush, Shelby, Sullivan, Tippecanoe, Union, Vermillion, Vigo, Wabash, Warrick, Washington, Wayne, and White.